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Excerpt from WG I Minutes 138 - Meeting of September 20, 1957

8. COCOM Listing Criteria

(Ref. WG I D-77; WG I D-77/1; ED/EC OM 23)

A. Consideration of Chairman's Draft Memorandum - WG I D-77/1.

Discussion

The Defense member, referring to paras. 2 and 3 of the Chairman's draft memorandum and to WG I D-76/O, advised that Defense had not made a proposal with respect to the term "war potential", but had merely described what this term had been interpreted to mean prior to its removal from the COCOM criteria. He also noted the statement in para. 2 of the Chairman's draft memorandum that "... such agreement cannot be voluntarily obtained." It seemed to him that if there was no hope of obtaining agreement on the definition of the term "war potential", then it would be in order for the EDAC structure to go to the NSC and have the term removed from our policy.

The Chairman stated that the distinction was that Defense in WG I D-76/O had used a specific definition of this term which was not contained or implied in the policy paper. The term "war potential" must be taken in the context of the entire policy statement and the agreed existing COCOM criteria. He also noted that this concept had never been agreed in COCOM and consequently, it was incorrect to say it had been removed.

The Chairman referred to the Group's most recent discussion of the subject of Criteria (WG I M-136), and noted that since that time a directive had been received from the EC (ED/EC OM-23) which directed WG I to consider possible revisions in the existing COCOM criteria. Two papers were now before the Group - one which he had presented for MDAC (WG I D-77/1) and one which had been submitted to the EC and referred to WG I with ED/EC OM-23. The Chairman advised that inasmuch as he now understood that Defense had not made any specific proposal for revising the criteria, he would revise the appropriate portions of WG I D-77/1 so as to clarify this point. Secondly, he pointed out that this paper contained two alternative recommendations, either a revision of COCOM Criterion (c) along lines of the language in the paper, or, alternatively, a policy that would not revise the criterion, but would attempt to clarify the U. S. interpretation of this criterion for our own internal use, and would of course indirectly have an effect on positions we took in COCOM. This subject had been given further thought and the Chairman stated that he now wished to withdraw the proposal to actually change criterion (c), and would not be in favor of revising any of the three COCOM criteria. However, MDAC did feel that it would be helpful if the interpretation given the criteria by the various agencies which were members of the EDAC structure could in some way be clarified and unified to a degree which

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would improve the existing situation, which because of the varying interpretations of the criteria, particularly criterion (c), made it difficult to arrive at U. S. policy positions and weakened our position of leadership in COCOM.

The ICA member submitted a proposed modification of the proposed interpretation of Criterion (c) in WG I D-77/1, explaining that it did not change the Chairman's proposal in substance, but she thought it clarified it. She agreed with the Chairman's view that no changes should be proposed in the existing COCOM criteria.

The State member advised that State agreed that admittedly there had been operating difficulties in the U. S. Government and in establishing an agreed interpretation, particularly with respect to Criterion (c). Nevertheless the U. S. Government had managed to live with it and had managed to resolve differences of interpretation on a case-by-case basis. State felt attempting formally to discuss the U. S. interpretation of this criterion, to set it down on paper, and to arrive at an agreement before the consideration of future cases, was opening the way to a very difficult exercise. In almost any proposal, and certainly in the proposals now before the Group, there was room for differing interpretations on the part of the various members. Admittedly the Group could attempt to hammer them out now, but the Group could not foresee, even with the vast experience it had had, all the problems that would arise with respect to the application of this criterion. State was satisfied with the present Criterion (c); would prefer to see it used as it is used in COCOM. We had arrived at an area of agreement at last. State felt that the difficulties and possible repercussions and ramifications of attempting to undertake formal review would be non-productive. State proposed that such a review not be undertaken and that we continue to operate under the terms of the present Criterion (c). State would not support at this time any proposal to introduce a re-interpretation or re-wording of the present criterion in COCOM.

The Commerce member called attention to the revised U. S. economic defense policy which contains a paragraph to the effect that under our course of action we should seek to maintain an effective multilateral control structure and effective controls thereunder. Since 1954 there had been progressive and increasing divergency of views, not only between the U. S. and certain PCs, but really between the U. S. and practically all PCs, and even among the PCs themselves, as to the basic objective of our controls and the ground rules for them in terms of the strategic criteria. Unfortunately there had even been differences of views within the U. S. Government departments as to the proper interpretations. Therefore, the strategic criteria needed to be revised in order to conform them to the proper U. S. interpretation of them. Regarding the Chairman's memorandum, he was not fully prepared. He did not want to go into detail on the Criterion (c) proposed there, but it was his impression

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that the draft in WG I D-77/1 would lead to one thing and that was to more or less make what we have as Criterion (a) an essential component or condition precedent to what we now have as Criterion (c), or to put it more bluntly, to bring us to the position the UK and other PCs had taken in arguing certain cases. The best example of this was the discussions on the rolling mills item. He noted that his remarks were not a prepared comment for the Commerce Department, but were made in the sense of the kind of working relationship the Group was entering into in this area, i.e. each member giving his own particular views until the point was reached at which official agency positions had to be reported.

The Chairman advised that it certainly had not been his intention to incorporate Criterion (a) into Criterion (c). It should be clearly understood that an item could be listed if it met any one of the criteria. To meet Criterion (a) items must be principally for military use whereas both present Criterion (c) and the proposed Criterion (c) covered a distinctly different concept. Many items could meet the present or proposed Criterion (c) which did not meet Criterion (a). In answering informally another point made by the Commerce member, to the effect that adoption of this language either as a new criterion or simply as a U. S. interpretation of the present criterion might bring us closer to the UK interpretation, the Chairman agreed that this might be true to some degree. However, he said he believed there were many agencies and parts of agencies whose interpretation of this criterion would be and had been along the lines indicated by this language. If this is considered a sound interpretation for the U.S. the fact that it brought us a little closer to the British was certainly no reason to oppose it; in fact it would be an added argument in favor of it.

The Defense member said he understood the objective was to seek the type of controls which would have the greatest impact on the Sino-Soviet bloc. Speaking from the security point of view, utilizing the present criteria did not achieve that objective. If we went into a List Review using the present criteria, items which from a security point of view would have the greatest impact on the Sino-Soviet bloc would be dropped. He thought he should seek to develop the kind of criteria which would have the impact on the Sino-Soviet bloc which we would like to achieve. Referring to the proposed Criterion (c) in the Chairman's memorandum, he thought it would rule out such categories as transportation, power, chemicals, communications, and he did not know to what extent we could control copper. Re (c)(iii), he thought we must take into account that so far as the Sino-Soviet bloc was concerned, its first priority was military, and on the basis of present requirements he doubted if anyone could say that the Sino-Soviet bloc was short of military requirements. *- such as?*

The Chairman inquired what impact we had from a security point of view if the Sino-Soviet bloc was not short of military requirements. The

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Defense member replied that there were shortages and would continue to be shortages of items which go to make up such requirements. With regard to the lists, he stated that he wanted the kind of criteria that would permit us not only to drop items but also would permit us to add the kind of items Defense believed were necessary to the building up of the war machine of the Sino-Soviet bloc. He advised that the proposals in the Commerce paper attached to ED/EC OM-23 met his points. Even though it was not under discussion at the moment, Defense accepted the proposed criteria as set out in that paper.

The State member remarked that the comments made had been interesting and were indicative in part of the reasons why State was unwilling at the present time to enter into formal discussion of the U. S. interpretation of Criterion (c) and why State was unwilling to throw open in COCOM the present criteria that we had. The Defense member had suggested that he would like criteria that would be acceptable to our allies. This was a worthy objective, but the State member had strong doubts that the kind of criteria put forth would be at all acceptable and would call forth counter-proposals which would be unacceptable to us. The present criteria would then be acceptable no longer and we would be opening a Pandora's box that would lead to a much smaller area of controls and a much smaller area of agreement internationally than we now had.

The ICA member agreed that it was important not to open the criteria. Conceivably we could end up with something like the British thermo-nuclear concept. She did not believe the PCs would accept something more strict at this point.

B. Consideration of Draft Revised Language for COCOM Criteria Attached to ED/EC OM-23.

Due to lack of time, this paper was not discussed at this meeting. The Group would continue its consideration of the subject of criteria and the draft language proposed in this paper at its next meeting.

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